

**MINUTES**  
**MICHIGAN STATE TRANSPORTATION COMMISSION WORKSHOP**  
**June 24, 2004**  
**Lansing, Michigan**

Meeting noticed in accordance with Open Meetings Act, Public Act 267 of 1976.

Present:                Ted Wahby, Chairman  
                             Betty Jean Awrey, Vice Chairwoman  
                             Robert Bender, Commissioner  
                             John Garside, Commissioner  
                             Linda Miller Atkinson, Commissioner  
                             Vincent J. Brennan, Commissioner

Also Present:        Gloria J. Jeff, Director  
                             Kirk Steudle, Chief Deputy Director  
                             Frank E. Kelley, Commission Advisor  
                             Jerry Jones, Commission Auditor  
                             Patrick Isom, Assistant Attorney General  
                             Brenda O'Brien, Construction and Technology Support Area  
                             Myron Frierson, Bureau Director, Finance and Administration  
                             Polly Kent, Intermodal Policy  
                             Ben Kohrman, Director, Office of Communications  
                             Rob Abent, Bureau Director, Multi-Modal Transportation  
                             Jackie Shinn, Office of Economic Development Administrator  
                             Susan Mortel, Bureau Director, Transportation Planning

A list of those people who attended the meeting is attached to the official minutes.

Chairman Wahby called the meeting to order at 9:30 a.m. in the Bureau of Aeronautics Auditorium in Lansing, Michigan.

Director Jeff stated that the purpose of the workshop is to provide information to the Commission on Michigan's border crossing and their importance. Michigan is unique in the nation in that we are the only state of the union that has both a northern and southern border with a foreign country. Director Jeff went on to say that the Commission is responsible for policy and has been working with the department over a number of years in terms of specific policies. However, the issue of policy with respect to the borders has never been addressed. Currently, the department is operating under an implicit Border Policy embedded within the State Long Range Plan, but would like to adopt an explicit Border Policy. Director Jeff explained that the department is proposing to set the stage, with background and dialogue, for drafting a Border Crossing Policy that would be brought back before the Commission at a later meeting to adopt.

Director Jeff informed the Commission that the presentation would be split between herself and Susan Mortel, Bureau Director of Transportation Planning.

Director Jeff reported that Michigan has, in the area of border crossings, three bridges, two ferries, and two tunnels. The largest concentration of them is in the greater Detroit area. The issues for Michigan are different from what you would find at many of the other border states; i.e., Ambassador Bridge volumes versus Chief Mountain Alberta and Chief Mountain Montana volumes.

### **Transportation Elements for Economic Growth**

A good transportation system provides for the seamless flow of goods, services and people. It includes a good freight network, ensures basic mobility, is secure and provides redundancy (homeland security). A good freight system has sufficient capacity, connectivity between and among modes and facilities (rail, road, air and water). Basic mobility means we have the ability to provide essential services and employment. One of the real challenges that MDOT has is that a number of the hospitals in the city of Detroit and its immediate area are significantly staffed by nurses who are citizens of Canada. The issues we are facing in the state of Michigan, and with respect to the border crossings, are the capacities of freeway, intermodal, border crossing, and modern rail infrastructure.

### **Economic Importance of Our Border Crossings**

When looking at the data from 2001, not taking into account the impacts from 9/11, international truck flows on Michigan's highway network reflected more than 3.2 million on the Ambassador Bridge, about 1.5 million on the Blue Water Bridge, more than 170,000 through the Detroit/Windsor Tunnel. The Ontario based carriers are handling 1.4 million miles/kilometers of travel in Michigan on an average day; 119,000 on the Michigan side.

Commissioner Brennan asked for clarification of a map being shown during the Director's presentation.

Director Jeff stated that it was a map showing the flow of goods and products with respect to truck flows; trucks that are coming across the borders from Michigan and their destinations. The thicker the band, the greater the volume. Director Jeff went on to point out an example: the thickest bands represent more than 600,000 tons of freight being moved. The lighter ones represent about 25,000.

Commissioner Brennan further asked if this represented traffic that originated in Michigan.

Director Jeff stated that it represents traffic that either originates, destines, or flows through Michigan (it is flowing both ways).

Commissioner Atkinson asked if any data more current than 1998 exists.

Director Jeff answered that 1998 is the most current information because of the way the U.S. Department of Transportation collects it.

Continuing to discuss the economic importance between the U.S. and Canada, and with respect to Michigan's trade with Canada, about \$65.8 billion (19%) of it is land based and of that amount, about \$41.9 billion (17.7%) is truck based trade. We (Michigan) provide the nation's principal gateway for international trade with Canada, i.e., 27% of total North American land-based international trade, representing about \$150 billion through Michigan's three ports of entry—Detroit, Port Huron, and Sault Ste. Marie. The Ambassador and Blue Water Bridges rank as the top two commercial crossings on the U.S.-Canada border (this is not just within the state, but along the entire U.S.-Canada border), representing more than 4.7 million annual truck crossings and 19.4 million annual passenger crossings. Director Jeff stated that Governor Granholm has been discussing the key international border issues as part of her Manufacturing Summit held last year, and the issues of concern for the manufacturing community had to do with seeking federal funds to add technology, personnel, and capacity to streamline the ports of entry across all of the U.S.-Canada border, and in particular in the state of Michigan. Director Jeff stated that she has had ongoing conversations with the Federal Highway Administrator, Mary Peters, regarding this issue. The department has a great friend in Administrator Peters, not only because she understands the issue, but having been the Director of the Arizona DOT—another border state, she understands the kinds of challenges that take place when you talk about border level activities between the U.S. and a foreign country.

The border is important, not only in the context of the freight movement, but also with respect to tourism. Passenger traffic generates millions of dollars for local and regional economies. Twenty million passenger cars utilized the borders in 2002; 25% work related, 40% dining, entertainment and casinos, and 12% shopping.

Commissioner Brennan asked how these numbers are determined.

Director Jeff responded that the data was collected by conducting surveys of passengers crossing the borders—asking them the reason for their travel.

Commissioner Brennan asked who, i.e., customs employees, conducted the surveys.

Director Jeff responded that the Detroit Convention Bureau, as well as other sources, conducted the surveys at bridge, as well as tunnel, crossings.

Continuing with the presentation, in addition to trucks and tourism, the Michigan rail trade generated \$40 billion with Canada and Mexico (45% of all North American rail trade is rail based). California (after Michigan) has the next largest at 10%. In Michigan, Port Huron is the #2 rail port in North America at \$22 billion, Detroit is #3 at \$15 billion.

### **MDOT's Vision**

MDOT sees as its vision the establishment and maintenance of a transportation border infrastructure network that allows for the seamless movement of people, goods, and services in a cost-efficient, timely, safe and secure manner.

### **Current Goals**

To protect transportation border infrastructure, increase federal funding for borders, provide adequate capacity for the next 30 years, expand and improve collaboration, coordination and communication with stakeholder groups, support federal laws, regulations and policies to improve flow of trade while maintaining national security.

Commissioner Brennan stated that the issue of “adequate capacity” is not a small issue, and asked if it would be discussed more in the presentation?

Director Jeff responded that it will be discussed more when she gets to the individual crossings (in particular the bi-national study that is underway between Michigan and Ontario) portion of her presentation.

Continuing with the presentation, with respect to homeland security in MDOT, it is not a new function to us. The intensity has increased since 9/11, but we have been handling it with respect to our Emergency Management function for the last 30 years. MDOT has in place a Threat Assessment Team that handles the array of activities through the Operations area under Director Jeff and Larry Tibbits (Chief Operations Officer). The Emergency Response personnel work extensively with the Transportation Risk Assessment & Protection Committee (TransRAP) and the Homeland Security Board for the state of Michigan that is chaired by the Michigan State Police and Department of Military Affairs.

### **Action Plan**

To secure and protect our border infrastructure, MDOT has completed a security assessment of all the border crossings that are owned by MDOT, the International Bridge, Mackinac Bridge, and the Blue Water Bridge. The results of the security assessment generated several recommendations. Many of these have already have been put in place, others of which MDOT is in the process of obtaining either state or federal funding to increase the security at those locations. The top priority at both International Bridges has been the availability of a surveillance system in order to visually have complete views of all that is going on at those crossings.

Director Jeff turned the next portion of the presentation over to Susan Mortel, Bureau Director, Transportation Planning.

Ms. Mortel stated that the security assessments began right after 9/11, when the department realized that, as owners, operators, or having a major stake in the operations of all the border crossings, that we had some vulnerabilities. Some of the State Planning and Research funds were used for that purpose, and we entered into a contract for the assessment of the International Bridge, Mackinac Bridge, and the Blue Water Bridge. As part of that assessment they had people with military backgrounds, now working in the private sector, come in and look at those pieces of infrastructure as though they wanted to harm us. With this thought in mind, look at the vulnerabilities, identify them, and then identify counter-measures. There are now security plans being executed at each crossing.

To improve border infrastructure planning coordination, MDOT is working closely with U.S. and Canada border and transportation agencies, creating advisory committees for projects, homeland security, and increased federal funding. One of the focus points during the reauthorization of TEA-21 has been the border and corridor program. MDOT is trying to tie the importance of the borders to the amount of federal money they will be eligible for.

There are numerous people, processes and agencies that must be involved in order to get anything done at a border crossing. Beginning at the border you have the plaza for customs inspections, the approaches to the crossing, and regions (federal, state, and province governments) that are involved in decision making. At each of these segments there are additional processes and people involved. As a result of this partnerships had to be formed. The *Bi-National Partnership* is specifically targeting the Detroit crossing, and is made up of just the transportation agencies with the institutional responsibility for the transportation infrastructure at those crossings. The *Border Working Group* is broader because it is associated with many stakeholders and more of the number of government agencies that are involved and have responsibilities at the borders. The *Transportation Summit Commerce and Trade Action Team*, new to the partnership, focuses on similar issues that have been identified by the other stakeholders (industries' dependence on transportation systems, federal dollars accounting for trade volumes, connectivity and capacity of borders and transportation modes, commerce and trade utilizing transportation to relieve congestion).

Right after 9/11 the United States and Canada, realizing that there needed to be additional coordination at the diplomatic level, entered into the Ridge-Manley Agreement between the U.S. and Canada (in Canada it is called the Manley-Ridge Agreement). Prior to 9/11, when working with the customs and immigration agencies it was quite often found that the parties were stuck in "mission clash". The agencies are very committed to protecting the borders. Institutionally, however, such intense focus kept them from being as sensitive to their customers as they should have been. On the other hand, transportation agencies' mission has been to move the people and goods. The Ridge-Manley Agreement puts movement of people and goods and security on somewhat of a level playing field, and recognizes the fact that economic security for both countries rests in the ability to solve the problems at the border in a way that will give us both security and movement of people and goods. Based on this premise, there has been an improvement in the cooperation with the customs and immigration agencies. There are, however, still a lot of issues associated with it.

Our borders are complex and evolving, institutionally, technically, and culturally. The U.S.-Canada Border Partnership undertook a Need and Feasibility Study which resulted in the identification of short term and long term solutions. Short term solutions focus on approach improvements, the Gateway Project, ITS (Intelligent Transportation Systems), fully staffing the crossings, and pre-process commercial traffic. Long term solutions focus on the need for a new crossing, additional capacity on the Blue Water Bridge inspection plaza, and improvements at the International Bridge.

There are several new crossing myths to be debunked: (1) *the passenger crossings are down due to Detroit Casinos*. Passenger border crossings are down across the entire U.S.-Canada border, not just in Michigan. Possible reasons include economic and currency fluctuations, increased security, uncertainty of crossing times, competition between casinos; (2) *MDOT is not doing anything until 2013*. We are moving forward with the Gateway Project at the Ambassador Bridge, developing traffic management strategies, developing ITS solutions for borders, improving coordination and cooperation with border agencies and Canadians, promoting FAST (Free and Secure Trade) and NEXUS, expanding the plaza at the Blue Water Bridge; (3) *Michigan and New York are in competition*. Michigan and New York have different trade corridors, different markets for commodities, no indication of traffic shift from new crossing, working closely to increase federal funding, both new crossings are needed to support economic growth of region.

### **Plans for Each Crossing**

*Ambassador Bridge*: MDOT is going ahead with the Gateway Project. This is a public-private partnership between MDOT and the privately owned Ambassador Bridge. We will be improving the approaches to the bridge.

*Blue Water Bridge*: We have ample capacity on the bridge itself, but the plaza needs improvements. A draft environmental impact study will be completed in 2005, and a complete study done nine months after that. The current plaza is about 14 acres. MDOT is looking to expand the plaza to somewhere between 50 and 60 acres.

*International Bridge*: In 2002 MDOT signed a forty-year intergovernmental agreement with the Canadians on the management of the bridge. The joint international bridge authority is responsible for the policy and operational oversight of that location. They are currently working on security enhancements (surveillance cameras, sensing devices, central monitoring station). This bridge goes right over the Soo Locks, which puts its security at stake as well. General Services Administration has a new border processing facility under construction.

*Detroit-Windsor Tunnel*: The City of Detroit owns this tunnel. They will be working on some future traffic management improvements. It was the busiest passenger vehicle (6.4 million) crossing between U.S. and Canada in 2003.

### **Strategies**

Protect transportation border infrastructure; increase federal funding for borders; provide adequate capacity of the next thirty years; expand and improve collaboration, coordination and communication with stakeholder groups; support federal laws, regulations and policies to improve flow of trade while maintaining national security.

Director Jeff asked for questions.

Commissioner Brennan referred Ms. Mortel back to the myth regarding the competition between Michigan and New York, and asked if she knew what the average wait time for commercial traffic at the bridge in New York versus the southeastern Michigan crossing.

Ms. Mortel stated she did not know off-hand and deferred to Director Jeff.

Director Jeff stated she did not, but that it was not of sufficient difference that the wait time alone would determine which crossing a passenger would use because of the mileage differences between the two. She went on to explain that the traffic at the Peace Bridge (New York) is servicing the east coast, or points along the east-west corridor of the U.S.; those utilizing the Michigan crossing are servicing the Midwest and points west. These are two very different markets so there is no competitive advantage to shippers using one or the other.

Commissioner Brennan replied that it makes sense. However, regardless of the produce/market, he thinks it would be logical, for example, if a truck driver reasoned he had to wait four hours in Windsor adding three hours of drive time, he would be ahead an hour.

Director Jeff responded that the difference in time to destination is greater than the wait times.

Chairman Wahby asked if anyone else had questions.

Commissioner Atkinson asked if any analysis of similar volumes and destinations across the Roosevelt Bridge between Ottawa and New York have been done.

Ms. Mortel responded that she had no data at that particular time, but would look into it.

Commissioner Atkinson asked if she had any information on Minnesota. There is an International Bridge crossing that would seem to include the same kind of agricultural volume and destinations as some of the ones we are looking at in Michigan.

Ms. Mortel stated that the crossings we have in Michigan are so busy, compared to anywhere else on the U.S.-Canada border (the difference is night and day), that the statistics across the northern border of all the different crossings are quite dramatic.

Commissioner Atkinson asked if they were looking at it from the point of view of volume and destination.

Ms. Mortel responded yes, including value of goods.

Commissioner Atkinson asked if that was determined by what they were told.

Ms. Mortel replied that it was just an estimate. It is very difficult to get the information about what is in the trucks coming across the border.

Director Jeff stated that it is not that the information is not available, it is a question of whether or not governmental agencies beyond those located at the borders and at the federal level can have that information.

Commissioner Brennan referred back to the strategy of increasing federal funding for borders and asked for further explanation.

Director Jeff stated that absent an explicit policy, MDOT (as part of the reauthorization) has been involved in a look at, and support of, the establishment of a stand alone corridors program and a stand alone borders program. This borders program would be formula based. Right now both borders and corridors are combined.

Commissioner Brennan asked for a description of the stand alone formula for borders and if it had a likelihood of succeeding in Washington.

Director Jeff responded that it is currently a part of the reauthorization proposals being considered by the Conference Committees. The big question is what is going to be the dollar amount for the total reauthorization, and what is the trading that takes place in terms of program categories.

Commissioner Atkinson referred back to the strategy of providing adequate capacity for the next thirty years, and asked what multi-modal applications would be made to the next thirty year capacity.

Director Jeff stated that as part of the next steps in the Bi-National Environmental Impact Study, intermodal is one of the essential requirements. Due to the unique position along a water crossing, there is a wonderful opportunity for the maritime interface.

### **Next Steps**

Discussion of policy elements, stakeholder engagement, and adopt border policy.

Director Jeff encouraged the Commissioners to read over the information provided and contact either herself or Ms. Mortel by phone, email or the Commission Advisor, with elements that they would like to see included in a draft policy.

Director Jeff further stated that during the July meeting they would come back with a draft policy for the Commission to further dialog about in terms of what they would like to see in a final one. Depending on the feedback given, the policy would then be brought before them for adoption during the August meeting.

Commissioner Bender asked who the stakeholders were and how their input was being solicited.

Director Jeff stated that the stakeholders included just about everyone that has been involved in the international border activities they have had thus far, the federal agencies, private owners and operators, working groups made up of partners on the U.S./Michigan side as well as the Ontario and Canadian side, the Ministry of Transport in Ontario.

Chairman Wahby asked if anyone from the audience had questions or comments.

Micky Blashfield, with the Ambassador Bridge in Detroit, gave brief comments regarding the very informative presentation. Mr. Blashfield extended an invitation, verbally and in writing, to the Commission to see the border operating in action.

Mr. Blashfield stated that he would add an additional myth that appears to be prevalent in newspaper headlines. Myth #4: *Because of the backups, additional infrastructure is urgently needed.* That is simply not true. Capacity is different from the road-bed capacity. It is also the clearance capacity. The real wildcard since 9/11 has been things that we have very little control over. That is, how much time and how much effort and energy is U.S. customs and border protection putting into clearing that cargo at the border. Security has risen and takes the same prominence as efficiency. The position held at the Ambassador Bridge is that of working to get customs the resources, personnel, technology and the process that they need to effectively clear the traffic.

Mr. Blashfield further stated that they were appreciative of the work of the Commission and the department for the Gateway Project.

Chairman Wahby indicated to Mr. Blashfield that if they had any additional information that needed to be relayed for the purpose of creating a policy to contact Ms. Mortel.

Chairman Wahby asked if any Commission members had questions for Mr. Blashfield, Director Jeff or Ms. Mortel; none were forthcoming.

### **ADJOURNMENT**

There being no further business to come before the Commission, the Chairman declared the meeting adjourned at 10:50 a.m.

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Frank E. Kelley  
Commission Advisor